

SENATE BILL REPORT

SB 5370

As Reported by Senate Committee On:
Ways & Means, February 14, 2017

Title: An act relating to federal funding programs requiring changes in state law.

Brief Description: Concerning federal funding programs requiring changes in state law.

Sponsors: Senators Becker, Bailey, Rivers, O'Ban, Fain, Zeiger, Brown, Fortunato, Warnick, Miloscia, Angel and Wilson.

Brief History:

Committee Activity: Ways & Means: 2/08/17, 2/14/17 [DPS, DNP, w/oRec].

Brief Summary of Substitute Bill

- Requires the Joint Legislative Audit and Review Committee to provide an annual report to the Legislature on certain federal funding programs that require changes in state law as a condition of receiving federal funds.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5370 be substituted therefor, and the substitute bill do pass.

Signed by Senators Braun, Chair; Brown, Vice Chair; Rossi, Vice Chair; Honeyford, Vice Chair, Capital Budget; Bailey, Becker, Fain, Miloscia, Padden, Schoesler, Warnick and Zeiger.

Minority Report: Do not pass.

Signed by Senators Ranker, Ranking Minority Member; Carlyle, Conway, Darneille and Hasegawa.

Minority Report: That it be referred without recommendation.

Signed by Senators Rolfes, Assistant Ranking Minority Member, Operating Budget; Frockt, Assistant Ranking Minority Member, Capital Budget; Keiser.

Staff: Julie Murray (786-7711)

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Background: In the 2015-2017 biennium, the state received approximately \$24.8 billion in federal funds to support programs funded through the biennial operating budget. The largest amount of federal funds, \$21.9 billion, support health and human services programs such as low-income health care, long-term care, and services for the developmentally disabled, children, and families in need. The second largest amount of federal funds, \$1.77 billion, support the area of public schools.

Federal funds come to the state primarily in the form of direct payments or grants determined by demography, income, or formula. Federal funding programs are often intended to supplement the efforts of state and local governments. As such, many federal funding programs require state and local governments to contribute resources such as requiring matching funds or a specified maintenance of effort. Additionally, the receipt of federal funds may be conditioned to target certain beneficiaries, be delivered in a specific manner or amount, or to implement federal policies. Revisions to state law may be required to meet these federal funding requirements.

Summary of Bill (First Substitute): The Legislature finds that changes in state law have been required as a condition of receiving federal funds and that these funding conditions should receive closer scrutiny.

Subject to appropriation for this specific purpose, by December 1st of each year, the Joint Legislative Audit and Review Committee must report to the Legislature regarding federal funding programs greater than \$25 million in biennial spending that affect health and human services agencies and the common school system that require changes in state statutes as a condition of receiving federal funds.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (First Substitute):

- Subjects the performance of the JLARC review to funds being appropriated for this purpose.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill: *The committee recommended a different version of the bill than what was heard.* PRO: I am offering this bill again because I think it is important for us look at these federal funding conditions before we commit the state to spending money. The bill initially had just health and human services programs, but at the suggestion of another member, I added public schools.

Persons Testifying: PRO: Senator Randi Becker.

Persons Signed In To Testify But Not Testifying: No one.